



Number 42, August 1995

20011003 023

Managing U.S. Relations with China

Towards a New Strategic Bargain

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Note

Conclusions

Issues in Bilateral Relations: Views in Washington and Beijing

Defining the Problem

United States relations with the People's Republic of China are fragile. Problems in one area, most dramatically Taiwan, affect our ability to manage other issues, such as proliferation. Negativism is greater than ever before. Despite continuing efforts to set the record straight, Beijing believes the United States regards China as its future enemy. In Beijing's view, the new goal of the United States is to contain China.

This is not a ploy. Although the leadership is clearly attempting to extract concessions, their statements fully reflect Chinese perceptions at all levels. In early 1992, the idea that the United States viewed China as a future, hostile peer competitor resided mainly within the Chinese People's Liberation Army (PLA). Now, the PLA appears to have carried the day. Where the United States sees Comprehensive Engagement, the Chinese see Containment.

Origins of the Problem

Basic disagreements have been a factor in bilateral relations since the early 1970s. It is only in the last few years that they have been so troublesome.

This is because the end of the Cold War eroded the previous strategic basis for conducting bilateral relations. Prior to 1990-1991, Cold War imperatives limited the negative impact of disagreements. Both sides had strong incentives for not allowing the Taiwan issue, controversy about the sale of Silkworm missiles to Iran, or a rising trade deficit to obscure the strategic purposes of the relationship. Although relations were never close, they were effective.

All that is left of that old strategic bargain is a recognition that stable ties are important because they bear on vital economic interests and that present relations will affect the future. This recognition is sufficient to prevent collapse. It is not, however, powerful enough to provide a stable equilibrium. In the absence of a regulating mechanism, other factors are exerting a disproportionate, negative influence. A new strategic bargain is necessary.

China and the United States are focused on domestic problems. In China, an uncertain leadership is coping with the transition to the post-Deng Xiaoping era and managing the political/social consequences of economic growth. In foreign and national security policy, regime concerns translate into an imperative to "avoid difficulties and maintain stability." The United States shares this desire.

Despite common interests, however, the two nations reflect marked differences in their respective values and experience. Although basic interests overlap, specific priorities at times do not. Also, in their approaches to international relations, China and the United States emphasize different concerns and have somewhat different perspectives.

For example, the United States is a global power. China remains essentially a regional power. China's approach to international relations is driven by a trenchant nationalism and a narrowly defined concept of state sovereignty that seems more appropriate to the nineteenth century than to the beginning of the twenty-first. For the Chinese, the immediate pre-1949 past is a period of national humiliation. Beijing's priority is still to build a "rich country and strong army" to guarantee that China will never again face similar treatment.

Accordingly, Beijing invests safeguarding sovereignty with a unique intensity. As the rhetoric over intellectual property rights shows, it is quick to interpret disagreement as an affront. There is a consistent tendency to escalate often minor disagreements to the level of high principle.

Beijing's approach to international relations is state-centered, inclined against alliances, overtly suspicious of multilateral security regimes, and skeptical about all but ad hoc coalitions. In contrast to the United States with its long experience of alliances, coalitions, multilateral regimes, and willingness to embrace interdependence, for Beijing, international politics remains very much a zero-sum game of "Beggar thy Neighbor."

The Strategic Importance of U.S. Relations With China

When viewed from a strategic perspective, it is clear that the benefits of effective bilateral relations to both countries transcend the limits imposed by any one issue. A stable and prosperous Asia is key to the continuing prosperity of the United States. The tenor of U.S. relations with China directly impacts on regional stability and, therefore, on regional prosperity.

United States/China relations affect the ties among all regional powers. Adversarial or estranged relations cause division as the powers adjust to the pressures produced by the two giants. An assessment of U.S. relations with China and, increasingly, an assessment of U.S.-Chinese-Japanese trilateral relations are central to the policy calculus in every regional capital.

But U.S./China relations are important in an even more fundamental sense. A new global system is emerging. Asian nations are actively redefining the ways in which they order their relations with each other and with the trans-Pacific world.

Maintaining the place of the United States in this changing regional order is a vital strategic necessity. If the United States is to manage its interests well, and if regional expectations for U.S. leadership are to be met, effective relations with the People's Republic of China are imperative. The future will be shaped very much by the ways in which Beijing and Washington comport themselves today.

Towards a New Strategic Bargain

Constructing the new strategic bargain to discipline relations requires the United States and China to reaffirm that maintaining the long-term stability of the Asia Pacific region is a shared vital national interest. Striking this new bargain raises three major challenges.

First, Comprehensive Engagement must be infused with a sense of purpose based upon clearly defined United States interests. A sense of priority is required. It is necessary to identify the most important issues and determine how focusing on any one issue will affect the ability to achieve progress on the others. Also, expectations must be consistently articulated. Finally, there must be a consistent view of China.

Consistency is difficult. For some, China is a fragile Third World country, an emerging market, or a potential strategic partner. For others, China is an abuser of human rights, a trade problem, a proliferator, or a future military threat.

This absence of consensus is not due entirely to problems in the eye of the beholder. On the contrary, it is the direct result of Chinese policies. Beijing's actions on human rights, the World Trade Organization, proliferation, the South China Sea, and Taiwan often reflect a disturbing disregard for their larger consequences. It is not difficult for observers to marshal evidence to support their respective views.

Second, it is necessary to establish benchmarks for assessing Beijing's policies. These must be flexible and appropriate to a changing environment. It must be clear that vital interests will not be compromised. The object is to enlarge the size of the regional table. China's taking its place at that table cannot be allowed to mean that the place of another is forfeited.

This suggests a third challenge. Owing to the nationalist impulse, Beijing is determined to become a superpower. Even with a large measure of good will on China's part, integrating this potential superpower into the life of the region will be a daunting task.

Integrating a new power implies a parallel redefining of regional roles and relations. Such a restructuring is already in progress. It is essential to approach relations with China, and with Japan and our other allies and friends, with a new measure of flexibility. Accommodating to the nationalism of others requires hard choices. But it does not necessarily require that vital interests be compromised. The United States must face the complex and risky task of determining what compromises it is willing to consider in order to build a more stable future.

Managing the New Engagement

This is not a time for bold new initiatives. Because Beijing is so focused on the succession, the leadership will wish to avoid the appearance of compromising on core issues involving sovereignty, such as Taiwan or the South China Sea. Any effort to alter the basic status quo is likely to provoke an extremely inflexible response. A breathing space is necessary.

Threats aside, Chinese leaders will probably not allow relations to collapse or become hostile. There is an opportunity to work out a *modus vivendi*, in effect to create a firewall, for the future.

Under this concept, the United States would authoritatively reaffirm once again, both to Beijing and

especially to Taipei, its commitment to the long-standing one-China policy. Encouraging sentiment in favor of an independent Taiwan serves neither the long-term interests of the United States nor the interests of the 21 million residents of Taiwan.

A declaration of independence would provoke military conflict. Other powers would choose sides and, in some cases, U.S. regional relations would be severely strained. Washington and Beijing would be estranged for many years. The people of Taiwan would suffer great loss. Moreover, most Taiwanese do not see independence as a desirable option. They prefer their version of the "one country, two systems" formulation because it emphasizes political and economic instruments and because, unlike the independence path, it allows for evolution.

However, Washington must make it equally clear to Beijing that U.S. interests require expanded unofficial ties with Taipei. In the future, economic imperatives alone will increase the need for high-level officials to enjoy routine mutual access. Such ties have had a demonstrably positive impact in the past. An evenhanded approach, coupled with Beijing's perception of the importance of stable bilateral and regional ties, is likely to be accepted, however ungraciously.

Second, engagement requires continued interaction with the PLA. The PLA is the most coherent of all of China's political institutions. Owing to the leadership succession, its already high political influence will increase. The PLA is a repository of nationalism and a determined advocate of the "Containment Theory." Finally, it exerts a major influence over Beijing's policies on Taiwan, the South China Sea, proliferation, and human rights.

However, hard-line propensities are tempered by the realization that conflict does not serve Beijing's long-term interests. Moreover, the PLA is ill-prepared for action against Taiwan. Although a declaration of independence would provoke a military response, the PLA is not now capable of mounting a successful invasion. A naval blockade is more feasible, but the difficulties of coordinating sustained air, surface, and submarine operations make success an open question. Because its qualitative advantage in aircraft has eroded somewhat in recent years, Taiwan may not be able to defeat a determined attack. Taipei will, however, redress this deficiency when it takes delivery of F-16 and Mirage 2000 aircraft in 1996.

Although the PLA could inflict great damage, it is not clear that a decisive victory is possible, or that Beijing could force Taiwan to accept a political settlement on its terms. This uncertainty, the inevitable damage to China's regional political and economic position resulting from military action, Taiwan's qualitative advantage, and Beijing's uncertainties about possible U.S. responses will continue to deter a Chinese attack. For the next few years, Beijing will continue the military policies, long in place, of conducting increasingly complex military exercises to discourage sentiment for independence. Military attack will be a last resort.

PLA leaders are aware that present deficiencies will not be overcome in the near term. The military modernization program has achieved some improvement in selected areas. Command and control capabilities are being enhanced, rapid response units exist, aerial refueling capabilities are being developed, and air defense capabilities are clearly improving. Beijing has purchased four Kilo-Class submarines and around fifty Su-27 aircraft from Russia. The PLA also is continuing its plan to build an aircraft carrier. Although these are important, much work remains before the PLA will be able to fully exploit this equipment. Also, despite increasing budgets, continuing financial shortfalls and the difficulty of developing doctrine to guide the use of modern weapons constrain progress.

In sum, the PLA has a highly trained, but very small, core that is approaching modernity. It has produced a self-sustaining cadre of highly professional officers. It has also identified key areas for future improvement. But it remains at least ten-to-fifteen years away from achieving broad modern capabilities. The desire to correct present doctrinal, operational, and equipment deficiencies is a powerful point of leverage for the United States.

Integrating China should be on the agenda of a highly focused regional dialogue. Because U.S. perspectives mirror those of the region, Washington is well positioned to lead an effort to develop common positions and approaches to Beijing. If the perspective is sufficiently broad, it will be possible to disarm Beijing's concerns about containment.

INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Managing U.S. Relations with China: Towards a New Strategic Bargain

B. DATE Report Downloaded From the Internet: 10/01/01

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #):
National Defense University Press
Institute for National Strategic Studies
Washington, DC 20001

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ **Preparation Date** 10/01/01

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.